

STATEMENT OF
E. HENRY KNOCHE
TO
SELECT COMMITTEE ON INTELLIGENCE
5 APRIL, 1978

Mr. Chairman:

I appreciate the opportunity to appear before this Committee today to discuss matters relating to American intelligence activities and their future.

I believe the Senate Select Committee on Intelligence since its inception in 1976 has been constructive and perceptive in developing a framework for responsible Congressional oversight of our intelligence activities.

I know also that our intelligence officials have been equally constructive and responsible in helping you to develop that framework.

I know too that the dedicated men and women of the intelligence profession can be counted on to follow the guidelines and standards set for them in the conduct of their work.

I commend the Committee for its plans to make as subjects for public discussion the crucial questions relating to the future of the country's intelligence efforts. There are many concerns in need of popular debate and understanding.

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The purpose of intelligence is to acquire information and render assessments of foreign situations and prospects so that wise foreign policy and defense plans can be developed by our government.

To the extent that the intelligence job is done well, American policies will be informed and effective. To the extent that the intelligence job is done well, the greater the chances the peace will be kept.

This is not a perfect world. And, in such a world, to acquire the necessary information and exert American influence in the interests of stability abroad, American intelligence -- primarily the CIA -- must be capable of making the difference, always by using bold and imaginative methods.

Responsible Americans recognize the importance of the intelligence function. They know we cannot afford to be blind and deaf in a complex, potentially hostile world.

The question for all of us is not whether we should have an intelligence arm as part of our society. Granted the essential nature of intelligence, the basic questions are:

- ° How do we keep intelligence under control in an open, democratic society? and
- ° How do we insure that our intelligence arm is kept effective, and not unduly impaired by the controls?

To deal with the first question concerning control, two Executive Orders -- one by President Ford in 1976 and another by President Carter earlier this year -- have set new guidelines. This Committee with its proposed Bill S. 2525 would codify in law a host of principles and standards. And, internally within the intelligence community, new strictures and controls in keeping with modern standards and values have been part of the scene since 1973, when CIA Director Colby personally authored and issued new directives to insure the propriety of various intelligence activities. Much progress has been made and it continues.

On the second question about the effectiveness of intelligence, much remains to be done.

I have four areas of concern relating to this question of effectiveness. I think they are worthy of attention by this Committee, by the intelligence community, and by the public.

(1) The balancing of rights

No one wants intelligence activities that harm the rights of our citizens. But the threats of foreign intelligence efforts in espionage, subversion and sabotage endanger our society as a whole.

For almost 30 years after the end of World War II, American intelligence had a virtual carte blanche to decide on steps to

protect Americans from foreign intelligence threats. In our system of checks and balances, there were few checks or balances that operated in this field. Some abuses ensued. The pendulum has now swung to concern about individual rights.

Finding the middle ground in guarding individual rights without sacrificing the safety of our society is not an easy task. I believe Titles II and III of S. 2525 carry safeguards on both counts and should prove generally wise for the future.

Nevertheless, I see opportunity in extended public discussion of this crucial topic of balancing rights. The goal is to preserve individual freedom while using our intelligence function prudently and effectively to preserve the national well-being.

(2) Compliance versus effectiveness

In the past year or two, emphasis in the intelligence community and in oversight bodies has been on seeing to it that our intelligence activities are in compliance with the newly-established guidelines and rules. Little study has been made of the impact of the guidelines and restraints. Are we more vulnerable as a society now than before to the threat of foreign intelligence operations? Has it been made less likely that we can acquire some of the kinds of foreign information so essential to the country's needs? I would like to see improved machinery established to keep these matters under continuing review.

I have a major concern about the future of intelligence effectiveness because of the extent of explicit detail in Title I of S. 2525. The detail comes in the procedural requirements to inform various Congressional and Executive authorities about sensitive intelligence matters, particularly about sensitive intelligence collection. I recognize a need to insure that the overseers of our intelligence have a sufficiency of information to weigh competing sensitivities. But, as the Committee knows, successful intelligence collection and counterintelligence depend on the willingness of foreigners to impart secret information to us. Often, their lives depend on our ability to insure that their names and cooperation are fully protected from disclosure. I am concerned that the detailed reporting requirements of S. 2525 will in the long run discourage foreign sources and organizations from cooperating with American intelligence. In their view, the risks of disclosure and personal safety are apt to loom large and their cooperation not felt to be worth the candle. Experience has shown there are ways to mitigate a result that could be disastrous to the future of intelligence.

(3) Protection of intelligence sources and methods

Our intelligence sources and methods are part of the national treasure. They are valuable and they are fragile. Once disclosed, our sources can be denied to us and our

methods thwarted by relatively simple actions by foreign authorities. The law currently lacks teeth in seeing to it that these sources and methods are adequately protected from unauthorized disclosure. This is a complex area and I know that a subcommittee of the Senate Select Committee on Intelligence is examining the complexities and their pros and cons. I would merely point out that in the effort to compile a new statute governing intelligence, S. 2525 does not do much to redress the current weakness in this area.

The need to protect intelligence sources and methods from disclosure has complicated our country's judicial processes from time to time. Title III of S. 2525 establishes principles that will better relate intelligence and the courts, including the provision that there be a judicial security system to safeguard the confidentiality of sensitive intelligence matters. The latest Executive Order and S. 2525 both call for greater participation by the Attorney General in deliberations concerning sensitive intelligence matters. These are healthy first steps in addressing judicial and intelligence concerns.

(4) The viability of CIA and the intelligence profession

I am concerned about the future of CIA as an institution. I think most Americans agree on the importance of having a skilled and objective information clearinghouse and analytical

center to illuminate the making of foreign policy. The importance and priority of this work have long attracted some of the best of young Americans who have dedicated themselves to the intelligence profession as a career, convinced of its importance to the national well-being. With the details of S. 2525 regarding restraints, oversight reporting procedures, and legal liabilities, I am concerned that many bright young Americans will recoil from employment in the profession. The overall effect, I fear, is to create an image of intelligence work as unseemly and unworthy.

I am also concerned about the ability of CIA to retain its organizational integrity and spirit as we look to the future. I believe it to be in the public interest to concentrate more effort on ways to shore up and enhance CIA as an essential element of our government. America needs a competent intelligence Agency capable of taking the lead within the intelligence community in producing sound and objective analysis, free of departmental influences, in developing new and advanced technology for intelligence purposes, and in carrying out clandestine intelligence activities as required and approved by our government. These are fundamental CIA responsibilities. I believe they have been carried out well in the main. American should not be deprived of this performance by organizational change or fragmentation.

Recent Executive and Congressional studies have tended to center on the question of how to enhance the powers of the Director of Central Intelligence. To the extent that he is expected to concentrate on community-wide issues, his ties to CIA lessen and his attention to its needs suffers. Institutional lustre and effectiveness can be lost in the process. CIA needs the most effective possible control at the top; oversight within and without; encouragement of creativity and ingenuity; and to improve itself as the authoritative and objective reporter and assessor of the foreign scene. To meet these goals, CIA requires the support and direction of a leader whose time and energy are not spread thin by the competing demands of inter-Agency issues.

Thank you, Mr. Chairman.